

Calhoun County Medical Care Facility

**Financial Report
with Additional Information
December 31, 2003**

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name: <u>Calhoun County MCF</u>	County Calhoun
Audit Date 12/31/03	Opinion Date February 5, 2004	Date Accountant Report Submitted To State:	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): PLANTE & MORAN, PLLC			
Street Address 67 West Michigan Avenue, Suite 500	City Battle Creek	State MI	ZIP 49017
Accountant Signature 			

Calhoun County Medical Care Facility

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Plante & Moran, PLLC

Suite 500

67 W. Michigan Ave.

Battle Creek, MI 49017-7018

Tel: 269.962.4079

Fax: 269.962.4225

plantemoran.com

Independent Auditor's Report

To the Calhoun County Family Independence Agency Board
Calhoun County Medical Care Facility

We have audited the balance sheet of Calhoun County Medical Care Facility (a component unit of Calhoun County, Michigan), as of December 31, 2003 and 2002, and the related statements of revenue, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Facility's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Calhoun County Medical Care Facility at December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the Facility adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* as of January 1, 2002.

The accompanying financial statements do not present a Management's Discussion and Analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be part of, the basic financial statements.

Plante & Moran, PLLC

February 5, 2004

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Calhoun County Medical Care Facility

Balance Sheet

		December 31	
		2003	2002
Assets			
Current Assets			
Cash (Note 2)	\$	765,806	\$ 864,798
Accounts receivable (Note 3)		731,993	578,769
Taxes receivable (Note 4)		682,596	679,372
Prepaid expenses and other assets		146,337	75,106
Total current assets		2,326,732	2,198,045
Assets Limited as to Use			
Cash equivalents (Note 2)		4,839,630	4,774,903
Interest receivable		9,097	14,093
Total assets limited as to use		4,848,727	4,788,996
Property and Equipment (Note 5)		2,606,374	2,839,568
Total assets		\$ 9,781,833	\$ 9,826,609
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$	126,937	\$ 231,067
Accrued liabilities:			
Salaries and related taxes		214,290	195,152
Compensated absences		316,661	283,926
Other		206,487	199,433
Resident trust liability (Note 6)		11,450	13,464
Due to County (Note 7)		103,334	104,000
Deferred proportionate share reimbursement revenue		72,302	108,639
Deferred tax revenue (Note 4)		743,829	725,589
Total current liabilities		1,795,290	1,861,270
Net Assets			
Invested in capital assets		2,606,374	2,839,568
Restricted for specific activities as defined by donor		41,225	37,965
Unrestricted		5,338,944	5,087,806
Total net assets		7,986,543	7,965,339
Total liabilities and net assets		\$ 9,781,833	\$ 9,826,609

Calhoun County Medical Care Facility

Statement of Revenue, Expenses and Changes in Net Assets

	Year Ended December 31	
	2003	2002
Operating Revenue		
Net resident revenue	\$ 8,380,924	\$ 8,132,512
Proportionate share reimbursement	179,653	432,739
Other operating revenue	<u>34,085</u>	<u>150,709</u>
Total operating revenue	8,594,662	8,715,960
Operating Expenses		
Salaries	5,519,431	5,455,070
Other	<u>3,719,312</u>	<u>3,663,751</u>
Total operating expenses	<u>9,238,743</u>	<u>9,118,821</u>
Operating Loss	(644,081)	(402,861)
Nonoperating Revenue		
Interest income	59,308	91,634
Property tax levy	<u>761,311</u>	<u>708,869</u>
Total nonoperating revenue	820,619	800,503
Transfers to County (Note 7)	<u>(155,334)</u>	<u>(148,667)</u>
Increase in Net Assets	21,204	248,975
Net Assets - Beginning of year	<u>7,965,339</u>	<u>7,716,364</u>
Net Assets - End of year	<u>\$ 7,986,543</u>	<u>\$ 7,965,339</u>

Calhoun County Medical Care Facility

Statement of Cash Flows

	Year Ended December 31	
	2003	2002
Cash Flows from Operating Activities		
Cash received from residents and third-party payors	\$ 8,227,700	\$ 8,033,533
Cash received from other operating revenue	34,085	150,709
Cash received from proportionate share program	143,316	171,165
Cash paid to employees and suppliers	<u>(8,952,003)</u>	<u>(8,616,437)</u>
Net cash used in operating activities	(546,902)	(261,030)
Cash Flows from Noncapital Financing Activities		
Cash received from property tax levy	776,327	730,497
Cash Flows from Capital and Related Financing Activities		
Purchase of property and equipment	(169,980)	(312,921)
Transfers to County	<u>(156,000)</u>	<u>(134,000)</u>
Net cash used in capital and related financing activities	(325,980)	(446,921)
Cash Flows from Investing Activities		
Interest received	64,304	81,412
Patient trust deposits, net	<u>(2,014)</u>	<u>2,735</u>
Net cash provided by investing activities	<u>62,290</u>	<u>84,147</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(34,265)	106,693
Cash and Cash Equivalents - Beginning of year	<u>5,639,701</u>	<u>5,533,008</u>
Cash and Cash Equivalents - End of year (Note 2)	<u>\$ 5,605,436</u>	<u>\$ 5,639,701</u>
Classification of Cash and Cash Equivalents		
Current assets	\$ 765,806	\$ 864,798
Assets limited as to use	<u>4,839,630</u>	<u>4,774,903</u>
Total	<u>\$ 5,605,436</u>	<u>\$ 5,639,701</u>

Calhoun County Medical Care Facility

Statement of Cash Flows (Continued)

A reconciliation of operating income (loss) to net cash used in operating activities is as follows:

	Year Ended December 31	
	2003	2002
Operating loss	\$ (644,081)	\$ (402,861)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	403,174	428,612
(Increase) decrease in assets:		
Accounts receivable	(153,224)	(98,979)
Prepaid expenses and other assets	(71,231)	85,674
Increase (decrease) in liabilities:		
Accounts payable	(104,130)	44,650
Accrued liabilities	58,927	(56,552)
Deferred revenue	(36,337)	(261,574)
Net cash used in operating activities	<u>\$ (546,902)</u>	<u>\$ (261,030)</u>

There were no noncash financing, capital or investing activities in 2003 or 2002.

Calhoun County Medical Care Facility

Notes to Financial Statements December 31, 2003 and 2002

Note 1 - Nature of Business and Significant Accounting Policies

The Calhoun County Medical Care Facility is a nonprofit 120-bed, long-term care unit owned and operated by Calhoun County. It is governed by the Calhoun County Family Independence Agency (F.I.A.) Board. This Board consists of three members, two of whom are appointed by the Calhoun County Board of Commissioners, and one appointed by the Michigan Governor. Further, the County Board of Commissioners approves the budget for the Facility.

The accounting policies of the Facility conform to generally accepted accounting principles as applicable to local governmental units. Because the Facility provides a service to citizens that is financed primarily by a user charge, the accounts of the Facility are accounted for as an Enterprise Fund, utilizing the full accrual method of accounting.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis for Presentation – The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. The Facility now follows the "business-type" activities reporting requirements of GASB Statement No. 34 that provides a comprehensive one-line look at the Facility's financial activities. There was no impact to the net assets of the Facility in adopting GASB No. 34.

Cash and Cash Equivalents – Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less.

Assets Limited as to Use – Assets limited as to use include assets set aside by the Family Independence Agency Board for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes, as well as assets temporarily restricted by donors for future capital improvements, resident and client services, and scholarships.

Calhoun County Medical Care Facility

Notes to Financial Statements December 31, 2003 and 2002

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Property and Equipment – Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Costs of repairs and maintenance are charged to expense as incurred.

Compensated Absences – Paid leave days are charged to operations when earned. Unused benefits are recorded as a current liability in the financial statements.

Net Resident Service Revenue – Net resident service revenue is reported at the estimated net realizable amounts from residents, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and provisions for uncollectible accounts. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Approximately 85 percent of the revenue from resident services is received from the Medicare and Medicaid programs. The Facility has agreements with the Medicare and Medicaid programs to provide reimbursement to the Facility at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Facility's established rates for services and amounts reimbursed by third-party payors. A summary of the basis of reimbursement with these third-party payors follows:

Medicare - Services rendered to Medicare program beneficiaries are paid at prospectively determined rates based upon clinical assessments completed by the Facility that are subject to review and final approval by Medicare.

Medicaid - Services rendered to Medicaid program beneficiaries are paid at prospectively determined rates based on a cost reimbursement methodology.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Calhoun County Medical Care Facility

Notes to Financial Statements December 31, 2003 and 2002

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Proportionate Share Reimbursement (PSRP) – During the years ended December 31, 2003 and 2002, the Facility participated in the PSRP sponsored by the State of Michigan. During 2003, two transactions were completed. The first transaction in September was recorded in revenue in relation to the State fiscal year that ended September 30, 2003. The second transaction in October was for the State fiscal year ending September 30, 2004 and therefore was recognized one quarter in revenue and three quarters in deferred revenue. In 2002, two transactions were completed. The first transaction, in September, was recorded in revenue in relation to the State fiscal year that ended September 30, 2002. The second transaction in October was for the State fiscal year ended September 30, 2003 and therefore was recognized one quarter in revenue and three quarters in deferred revenue.

The above transactions resulted in revenue of \$179,653 and \$432,739 for the years ended December 31, 2003 and 2002, respectively, and deferred revenue of \$72,302 and \$108,639 at December 31, 2003 and 2002, respectively.

Net Assets – Net assets of the Facility are classified in three components. *Net assets invested in capital* consist of capital assets, net of accumulated depreciation, and reduced by any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net assets* are noncapital net assets that must be used for a particular purpose, as specified by contributors external to the Facility. *Unrestricted net assets* are the remaining net assets that do not meet the definition of *invested in capital* or *restricted*. Of the \$5,338,944 and \$5,087,806 of unrestricted net assets reported on December 31, 2003 and 2002, respectively, approximately \$4.7 million has been designated by the Facility's Board for future capital improvements. Designated funds remain under the control of the Board, which may at its discretion later use the funds for other purposes.

Operating Revenues and Expenses – The Facility's statement of revenues, expenses and changes in net assets distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – the Facility's principal activity. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Calhoun County Medical Care Facility

Notes to Financial Statements December 31, 2003 and 2002

Note 2 - Cash and Cash Equivalents

The Facility's cash and cash equivalents are composed of the following:

	2003	2002
Cash:		
On deposit with County Treasurer (1)	\$ 105,675	\$ 529,348
On deposit with bank (2)	659,281	334,600
Petty cash	850	850
Subtotal	765,806	864,798
Assets limited as to use: (3)		
On deposit with County Treasurer (1)	4,798,405	4,736,938
On deposit with bank (2)	41,225	37,965
Subtotal	4,839,630	4,774,903
Total cash and cash equivalents	<u>\$ 5,605,436</u>	<u>\$ 5,639,701</u>

- (1) **Cash - County** - These funds are controlled by the County Treasurer. It is impractical to determine the amount covered by federal depository insurance as these funds are only a portion of the entire County deposits.
- (2) **Cash - Bank** - These accounts are administered by the County Treasurer and are held in separate accounts in the name of the Facility. The above deposits were reflected in the accounts of a bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$804,997 and \$376,749 at December 31, 2003 and 2002, respectively. The federal depository insurance pertains to all the deposits of the County of Calhoun; hence, the specific coverage pertaining to the Facility's deposits, if any, is not determinable.

Calhoun County Medical Care Facility

Notes to Financial Statements December 31, 2003 and 2002

Note 2 - Cash and Cash Equivalents (Continued)

- (3) **Assets Limited as to Use** - The assets limited as to use consist of the following:

	2003	2002
Designated by F.I.A. Board:		
Future capital improvements	\$ 4,798,405	\$ 4,736,938
Temporarily restricted by donor:		
Future capital improvements, resident and client services, and scholarships	41,225	37,965
Total	<u>\$ 4,839,630</u>	<u>\$ 4,774,903</u>

Note 3 - Accounts Receivable

The details of accounts receivable are set forth below:

	2003	2002
Total resident accounts receivable	\$ 775,000	\$ 633,526
Less allowance for uncollectible accounts	(30,000)	(30,000)
Medicaid interim payment advances	<u>(13,007)</u>	<u>(24,757)</u>
Accounts receivable, net	<u>\$ 731,993</u>	<u>\$ 578,769</u>

Note 4 - Taxes Receivable/Deferred Tax Revenue

Taxes are levied on December 1 and payable by February 15. The cities and townships within the County bill and collect the property taxes for the County. County property tax revenue is recognized when levied to the extent that it results in current receivables within the year budgeted by the Board to provide resources for financing budgeted expenditures. Deferred property taxes are amounts levied at December 1 of the current year, but applied to future operations.

This County Medical Care Facility has had voter approval to levy annually up to \$.25 per \$1,000 of assessed valuation for the purpose of general operation of the Facility. During 2002, voters approved a levy for the five years 2003 through 2008.

Calhoun County Medical Care Facility

Notes to Financial Statements December 31, 2003 and 2002

Note 5 - Property and Equipment

Cost of property and equipment and depreciable lives are summarized as follows:

	2002	Additions	Retirements	2003	Depreciable Life - Years
Cost:					
Land improvements	\$ 96,071	\$ -	\$ -	\$ 96,071	5-20
Building	6,076,002	137,779	-	6,213,781	10-40
Equipment	<u>1,780,560</u>	<u>32,201</u>	<u>-</u>	<u>1,812,761</u>	5-10
Total	7,952,633	169,980	-	8,122,613	
Less accumulated depreciation:					
Land improvements	58,821	7,331	-	66,152	
Building	3,794,239	207,116	-	4,001,355	
Equipment	<u>1,260,005</u>	<u>188,727</u>	<u>-</u>	<u>1,448,732</u>	
Total	<u>5,113,065</u>	<u>403,174</u>	<u>-</u>	<u>5,516,239</u>	
Net carrying amount	<u>\$ 2,839,568</u>	<u>\$ (233,194)</u>	<u>\$ -</u>	<u>\$ 2,606,374</u>	

	2001	Additions	Retirements	2002	Depreciable Life - Years
Cost:					
Land improvements	\$ 96,071	\$ -	\$ -	\$ 96,071	5-20
Building	6,013,776	62,226	-	6,076,002	10-40
Equipment	<u>1,547,164</u>	<u>250,696</u>	<u>17,300</u>	<u>1,780,560</u>	5-10
Total	7,657,011	312,922	17,300	7,952,633	
Less accumulated depreciation:					
Land improvements	51,327	7,494	-	58,821	
Building	3,567,806	226,433	-	3,794,239	
Equipment	<u>1,082,619</u>	<u>194,686</u>	<u>17,300</u>	<u>1,260,005</u>	
Total	<u>4,701,752</u>	<u>428,613</u>	<u>17,300</u>	<u>5,113,065</u>	
Net carrying amount	<u>\$ 2,955,259</u>	<u>\$ (115,691)</u>	<u>\$ -</u>	<u>\$ 2,839,568</u>	

Calhoun County Medical Care Facility

Notes to Financial Statements December 31, 2003 and 2002

Note 6 - Resident Trust Fund

The State Department of Treasury requires facilities to administer and account for monies of residents. The resident trust liability on the balance sheet represents resident trust fund deposits at December 31, 2003 and 2002.

Note 7 - Related Party Transactions

As discussed in Note 1, the Facility is a component unit of Calhoun County. To finance a renovation project of the Facility, the County issued bonds in 1992 totaling \$1,550,000. To assist with repayment, the Facility has recorded transfers to the County of \$155,334 and \$148,667 for the years ended December 31, 2003 and 2002, respectively. At December 31, 2003 and 2002, the accrued liability to the County was \$103,334 and \$104,000, respectively.

Note 8 - Endowment Funds Held by Third Parties

The Facility is the beneficiary of a trust, which is maintained by an outside trustee, the Battle Creek Community Foundation. Income from the trust, which consists substantially of interest and dividends, is to be used for operations. The balance of the trust, which is not accounted for in the Facility's records, is approximately \$257,183 and \$225,700 at December 31, 2003 and 2002, respectively. Income received by the Facility from the trust was \$16,400 and \$15,500 during the years ended December 31, 2003 and 2002, respectively.

Note 9 - Maintenance of Effort

Maintenance of Effort (M.O.E.) is a County obligation to the State of Michigan. Every month, the County receives a bill from the State of Michigan for each Medicaid resident day that was approved by the State during the month.

The Facility makes M.O.E. payments directly to the County. M.O.E. expense for 2003 and 2002 of \$42,945 and \$45,786, respectively, is included in operating expenses.

Calhoun County Medical Care Facility

Notes to Financial Statements December 31, 2003 and 2002

Note 10 - Risk Management

The Facility is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The Facility has purchased commercial insurance for property, malpractice, workers' compensation, directors and officers' liability and employee health claims. The Facility is self-insured for unemployment claims.

Note 11 - Defined Contribution Retirement Plan

The Facility provides pension benefits to employees who have worked an initial probationary period of 90 to 120 days through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by Calhoun County, the Facility, for the year ended December 31, 2001, contributed \$.60 for each \$1 of voluntary contribution made by the employee up to a maximum of three percent of the employee's gross wages. The Facility increased the matching contributions effective July 1, 2001, for the year ended December 31, 2003 to \$1.00 for each \$1.00 of voluntary contribution made by the employee up to a maximum of five percent of the employee's gross wages. In accordance with these requirements, the Facility contributed \$108,946 and \$111,194, and the employees contributed \$145,596 and \$165,433 for the years ended December 31, 2003 and 2002, respectively.

Additional Information



Plante & Moran, PLLC

Suite 500
67 W. Michigan Ave.
Battle Creek, MI 49017-7018
Tel: 269.962.4079
Fax: 269.962.4225
plantemoran.com

To the Calhoun County Family Independence Agency Board
Calhoun County Medical Care Facility

We have audited the financial statements of the Calhoun County Medical Care Facility for the years ended December 31, 2003 and 2002. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of net resident revenue and operating expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

February 5, 2004

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Calhoun County Medical Care Facility

Schedule of Net Resident Revenue

	Year Ended December 31	
	2003	2002
Resident revenue:		
Daily care revenue:		
Medicaid	\$ 6,044,850	\$ 5,798,073
Medicare	344,400	240,425
Private pay	<u>1,236,320</u>	<u>1,062,067</u>
Total daily care revenue	7,625,570	7,100,565
Ancillary revenue:		
Physical therapy	179,460	120,780
Occupational therapy	156,240	112,005
Medical supplies	21,718	21,799
Pharmacy	58,658	44,591
Lab and radiology	9,646	7,777
Speech therapy	<u>26,820</u>	<u>27,000</u>
Total ancillary revenue	452,542	333,952
Day care	<u>720,743</u>	<u>808,710</u>
Total resident revenue	8,798,855	8,243,227
Provision for contractual discounts - Medicare and Medicaid	(408,834)	(110,715)
Provision for bad debts	<u>(9,097)</u>	<u>-</u>
Net resident revenue	<u>\$ 8,380,924</u>	<u>\$ 8,132,512</u>

Calhoun County Medical Care Facility

Schedule of Operating Expenses

	Year Ended December 31			
	2003			2002
	Salaries	Other	Total	Total
Administration	\$ 130,525	\$ 175,743	\$ 306,268	\$ 202,523
Maintenance	180,210	285,886	466,096	508,304
Laundry	71,438	219,533	290,971	272,951
Housekeeping	282,226	122,395	404,621	372,092
Dietary	525,970	335,112	861,082	878,089
Pharmacy	-	73,131	73,131	53,648
Nursing	2,506,616	262,867	2,769,483	2,824,624
Physical, occupational and speech therapy	347,523	17,794	365,317	353,375
Social worker	72,492	468	72,960	80,361
Personnel	61,934	551	62,485	65,436
Diversional activities	241,353	25,138	266,491	267,440
Vehicles	-	16,633	16,633	15,019
Professional services	-	33,918	33,918	33,515
Business office	220,083	81,336	301,419	290,272
Inservice education	44,076	1,152	45,228	53,123
Respite	22,781	-	22,781	19,270
Medical records	117,874	2,718	120,592	113,499
Managed care	151,507	5,021	156,528	149,580
Purchasing	42,872	1,550	44,422	42,968
Day care	476,708	91,768	568,476	579,623
Nurse aide training	23,243	5,519	28,762	33,172
Fringe benefits and other	-	1,514,960	1,514,960	1,435,539
Depreciation	-	403,174	403,174	428,612
Maintenance of effort	-	42,945	42,945	45,786
Totals - 2003	<u>\$ 5,519,431</u>	<u>\$ 3,719,312</u>	<u>\$ 9,238,743</u>	
Totals - 2002	<u>\$ 5,455,070</u>	<u>\$ 3,663,751</u>		<u>\$ 9,118,821</u>